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An Analysis of the Nigerian National Development Plan in the Fourth Republic: A Case of the Buhari's Economic Recovery and Growth Plan 2017-2020

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Abstract

This paper examines the topic “an analysis of the Nigerian National Development Plan in the Fourth: A Case of the Buhari's Economic Recovery And Growth Plan 2017-2020”. Drawing upon a theoretical framework grounded in development theory, the study employs a qualitative desk research methodology and content analysis, analyzing data from secondary sources to evaluate the framework and implementation of the ERGP. The paper discusses the objectives, projections, and outcomes of the ERGP, particularly focusing on key indicators such as GDP growth, inflation, unemployment rates, and poverty rate. It highlights the challenges and successes encountered in the implementation of the plan, including issues of revenue generation, job creation, and macroeconomic stability. Furthermore, the paper offers recommendations for enhancing the effectiveness of future development plans in Nigeria, emphasizing the importance of broadening the tax base, improving fiscal discipline, and fostering close collaboration between government institutions.

Keywords: *National development planning, Economic Recovery and Growth Plan (ERGP), Nigeria, Fourth Republic*

Introduction

In the dynamic landscape of Nigeria's economic development, the formulation and implementation of strategic national development plans have remained pivotal in shaping the country's trajectory towards sustainable growth and prosperity. Within the Fourth Republic, spanning from 1999 to the present, Nigeria has witnessed a series of ambitious initiatives aimed at addressing economic challenges, fostering inclusive development, and

realizing its full potential on the global stage.

At the outset of the Fourth Republic in 1999, Nigeria embarked on its developmental journey with the introduction of the "National Economic Direction" plan. This initiative, like subsequent ones, aimed at fostering a resilient economy capable of absorbing external shocks and promoting competitiveness (Ikeanyibe, 2009). However, despite noble objectives, these early plans encountered hurdles in

achieving their intended outcomes, with critiques pointing to implementation gaps and a reliance on external factors for growth (Donli, 2004).

The subsequent National Economic Empowerment and Development Strategy (NEEDS) and Vision 20:2020 initiatives reflected Nigeria's aspirations for transformative growth, yet faced challenges in translating vision into tangible results (SEC, 2006; Iheanacho, 2012). Amidst these endeavors, the Transformation Agenda (2011-2015) emerged, underscoring the need for continuity and commitment in Nigeria's developmental efforts (Awojobi, 2017; Itah, 2012).

Against this backdrop of varied experiences and evolving aspirations, the Economic Recovery and Growth Plan (ERGP) of 2017-2020 emerged as a pivotal juncture in Nigeria's developmental narrative. Crafted under the leadership of President Muhammadu Buhari, the ERGP sought to revitalize a recessionary economy, promote inclusive growth, and position Nigeria as a globally competitive player (Kyaram & Ogwuche, 2017).

However, the effectiveness of the ERGP in achieving its outlined objectives warrants scrutiny. While projections suggested positive outcomes such as GDP growth, job creation, and inflation reduction, the actual implementation encountered challenges and yielded mixed results (Preston, 2017; Solomon & Fidelis, 2018).

Against this backdrop, this paper embarks on a critical analysis of Nigeria's National Development Plans

within the Fourth Republic, with a particular focus on the ERGP. Anchored on development theory, this analysis aims to unravel the complexities of Nigeria's developmental trajectory, assess the successes and shortcomings of the ERGP, and draw insights for future policy formulation and implementation.

Amidst recurring economic setbacks, there exists a noticeable gap in the literature regarding the comprehensive evaluation of Nigeria's economic development plans, especially concerning their effectiveness, challenges, and implications for sustainable growth. This study seeks to address this gap by providing a thorough analysis of Nigeria's national development plans, with a particular focus on the Economic Recovery and Growth Plan (ERGP) launched by President Buhari's administration in 2017.

Through a qualitative analysis utilizing secondary sources and content analysis, this study seeks to unravel the intricacies of Nigeria's development planning, shedding light on the challenges, opportunities, and lessons for charting a sustainable path towards inclusive growth and prosperity in the Fourth Republic and beyond.

The main premise of the study lies in identifying patterns, challenges, and lessons learned from previous plans, this research aims to provide valuable insights for crafting more effective and sustainable economic policies in the future.

Literature Review

Concept of Development

Development is a complex, fluid, and elusive concept with varying definition depending on the context in which it is used. The UN General Assembly in 1986 adopted in its declaration on the right to development the definition of development as a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the wellbeing of the entire population and of all individuals on the bases of their free and meaningful participation and in the fair distribution of the benefit resulting therefrom. This definition emphasizes the human-centred development; that is, the focus of development needs not be machines or institutions, but people. In the same vein, the United Nations Development Programme (UNDP) maintained that the people must be at the centre of all development (UNDP 2008). Apart from recognizing people as subject of development, the definition also recognize the essential role of participation, individually and collectively, in the process. It sees the economy as a whole made up of components; civil, economic, political, and social that are indivisible and interdependent (Kunanayakam, 2012).

Development can be defined as bringing about social change that allows people to achieve their human potential. The guideline for the fourth national development prescribed the type of development which Nigeria need to evolve when it stated that true development must mean the development of man, the realization of his creative potential enabling him to improve his material condition of living

through the use of resources available to him (Anyebe, 2001).

It is important to note that development is a process rather than an outcome: it is dynamic in that it involves a change from one state or condition to another. Ideally, such a change is a positive one - an improvement of some sort. Development implies a progression from a lower and often undesirable state to a high and preferred one. Corroborating this view, Sapru (1994) defines development as a process of societal transformation from a traditional to a modern society and such form of development is called modernization. In the same vein, Development is equally a multi-dimensional process involving the reorganization and reorientation of the entire economic and social systems (Todaro and Smith 2009). It transcends beyond the improvement in income and output to the radical transformation in institutional, social and administrative structures.

Development therefore is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components which basically improves the level and quality of life of the population.

Concept of Planning

Planning on the other hand refers to the exercise of delineation of goals to be pursued and the selection of appropriate decision models to be used as means to achieving the goals (Anyebe, 2001). Planning is deciding what to do, how to do it and who is to do (Koonzt, Donnel and Weihrich, 2006)

Cole (1993), defines planning is an activity which involves decisions about ends as well as means and about conduct as well as result. The definition lays emphasis on relationship between action and result; therefore to determine if planning has taken place should rest upon the assessment as to whether and to what extent future result has been attained. Butressing this view, Wildavsky (1971) succinctly describes planning as the ability to control the future consequences of present actions. Its purpose is to make the future different from what it would have been without this intervention. Planning therefore necessitates a casualty theory consisting of the planned actions with the desired results.

Concept of Development Planning

Development planning are strategies designed by government to effect some permanent structural changes in the economy which involves setting out objectives about the way it wants the economy to develop in future and then intervenes to try to achieve those objectives (UNPD, 2008). This definition sees development as a conscious effort to bring future change. Corroborating this view, Todaro (1992) conceptualizes development planning as the conscious governmental effort to influence, direct and in some cases, even control changes in the principal economic variables of a country over the course of time in order to achieve predetermined set of objectives.

Development planning can also be construed as involving functional relations among various levels of government and government institutions involved in development planning effort. Understood in the

respect, Abdulsalami (1977) giving an extract for the Minnow brook conference of comparative administration Group in 1964 defines the concept as an effort to coordinate through central planning institutions the activities of bodies such as government departments, regional, state or local government, and enterprises (Anyebe, 2001). In the same vein, (Datta, 2010) defines it as processes which ensure that national policies and strategies are realized and development concerns at all levels are fully integrated into the overall national development thrust.

Development planning is national if it involves all the sectors of the economy and the private sector and it's coordinated so that all governments of the federation have a framework within which to operate.

National Development Plan in the Fourth Republic

(a) The National Economic Direction (1999 – 2003):

The new administration started a development plan in 1999 on a plain ground with the introduction of the four-year medium-term plan document tagged "National Economic Direction." The main objectives of the plan were: a pursuance of a strong, virile and broad-based economy that has adequate capacity to absorb all external shocks. the plan though a new document in its entirety, its objectives and policy directions were not significantly different from the directions introduced from the SAP document (Ikeanyibe, 2009). The plan aimed at the development of an economy that is highly competitive, responsive to incentives, private sector led, diversified, market-oriented and open but it relied heavily on external momentum for growth (Donli, 2004). The plan failed to

achieve most of the articulated objectives such as deregulating the economy, reduction in bureaucratic red-tapism in governance, creation of jobs, alleviating poverty, provision of welfare, infrastructure, improved healthcare and education,

(b) National Economic Empowerment and Development Strategy (NEEDS) (2003 – 2007):

NEEDS is a federal government plan, which also expected the states and local governments to have their counterpart plans- the State Economic Empowerment and Development Strategy (SEEDS) and the Local Government Economic Empowerment and Development Strategy (LEEDS) respectively.

The objectives of the plan were: wealth creation, employment generation, poverty reduction, value reorientation, redefining the role of government in the economy by de-emphasizing its participation in business, creating an enabling environment for the private sector to thrive through legislation, tax regimes, and other incentives, and creating synergy in the implementation of reforms between the federal and state governments. The key elements of the strategy are anchored on renewed privatization, deregulation and liberalization program, developing infrastructure especially electricity and transport as well as the development of agricultural and industrial sectors (SEC, 2006).

Under NEEDS, substantial progress was made in reforms, including a comprehensive banking sector consolidation programme, growing the non-oil sector, liberalization of Nigeria's import tariffs regime transactions, fight against corruption, and restructuring

and privatizing state-owned enterprises, in order to improve the environment for private-sector led growth and increase investor's confidence. The program suffered some shortcomings and inadequacies which Ohiorhenuan (2003) identifies as:

Weakness on poverty diagnostics, cosmetically descriptive rather than analytical approach and weaknesses in setting economic targets. The most fundamental weakness of the NEEDS as a poverty reduction strategy was its "trickle down" approach to poverty reduction instead of the adoption of "Right Based Approach" which is internationally recognized and accepted as the most significant approach (AAIN, 2005).

(c) Vision 20: 2020 (2007): The Nigerian government launched the Vision 20:2020 in 2007 as a development planning initiative; the major objective of the program is to make Nigeria one of the first 20 economies in the world by the year 2020 (Iheanacho, 2012). The coming of Yar-Adua's administration gave the Vision an impetus by making it a cardinal objective in achieving its Seven – Point Agenda. The vision document was expected to be implemented through three medium term development plans. The first plan will run from 2009-2012. The second will be from 2013- 2016, while the third plan will be from 2017-2020. The holistic objective of Nigerians vision 20: 2020 is to become one of the top 20 largest economies or most industrialized countries of the world. Thus certain key parameters have been set along diverse significant sectors for concentration of effort (Ogwo, 2008: 2). These parameters outline key aspirations for Nigeria's development. The country aims to achieve: a state of peaceful harmony and stable democracy by 2020; a sound, stable, and globally competitive economy, targeting a GDP of not less than \$900 billion and a per capita

income of at least \$4,000 per annum; adequate infrastructure services to support the full mobilization of all economic; a modern and vibrant education system that offers every Nigerian the opportunity to reach their maximum potential and provides the country with competent manpower; a life expectancy of at least 70 years and minimize the burden of infectious diseases such as malaria, HIV/AIDS, and other debilitating illnesses; a modern and technologically enabled agricultural sector that fully exploits its vast resources, ensuring national food security and contributing significantly to foreign exchange earnings; and finally, a vibrant and globally competitive manufacturing sector that makes a substantial contribution to GDP, with a manufacturing value-added of no less than 40%. Eneh (2011) reports that the Vision 20:2020 like other developmental plans and programmes was nothing but a mere vision which much unrealistic targets. Ibieta and Ekhoche (2013) observed that Vision 20:2020 also tailored the paths of other plans by presenting areas/issues it was not to cover in an omnibus manner without breaking it down into phases. The assumption of a prudent economic management which the vision was built upon for its success is still lacking in Nigeria

(d) The Transformation Agenda (2011 – 2015): The coming of Yar'Adua's administration in 2007 gave the Vision 20:2020 impetus by making it a cardinal objective in achieving its Seven – Point Agenda. The elements of the vision encompass various key aspects: power and energy, food security, security particularly in the Niger Delta region, wealth creation, education and human capital development, land reform, and transport and mass transit.

The government realized that the country was over dependent on non-renewable which hampers its ability for industrial development. This reform focused on wealth creation as a means to achieving diversification in production. The seven point agenda was an offshoot of the United Nations Millennium Development Goals (MDG's) and it was expected to run concurrently with its agendas of eradicating extreme poverty and hunger by 2015; achieving universal primary education by 2015; reducing child mortality by two-third; improving maternal health by 2015; combating HIV/AIDS, malaria and other preventable diseases by 2015; ensuring environmental sustainability between 2015 and 2020 and developing a global partnership for development by 2015 (Ekhoche, 2013). Emmanuel (2019) pointing to the weakness of the seven-point agenda asserts that it was somewhat an uncoordinated plan. It rather alienated itself on the MDGs which were much of "goals from outside." Though, some of the objectives were achievable, the programme did not go beyond the usual policy formulations that lacked the necessary implementation mechanism which had been the major challenge of other plans in Nigeria. The seven-point agenda died immediately with the sudden demise of President Yar'Adua.

(e) The Transformation Agenda (2011 – 2015): Nigeria's development efforts have over the years been characterized by lack of continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective. The TA is not a standalone strategic plan; it draws its inspiration from the NV 20:2020 and the 1st National Implementation Plan (NIP). Transformation Agenda."

Awojobi (2017) noted that the transformation agenda was meant to run from 2011 – 2015 and it promised to be a policy and programme that will transform Nigeria to an economic powerhouse in the world. Itah (2012) is of the opinion that the transformation agenda of President Jonathan aimed to address the surge in poverty and insecurity. The then Minister of Trade and Investment Olusegun Aganga describes the agenda as a development policy that is embedded with good governance, security, energy and human development (Awojobi, 2017). The agenda had its focus on three core areas of: revamping all ailing industries, encouraging agriculture and agro-related businesses promote small and medium enterprises (SMEs); secondly, to reduce poverty and create massive employment; and thirdly, to fight corruption at all levels of governance (Gyong, 2012). As Awojobi (2017) noted, the realization of the objectives of the transformation agenda remains a mirage. Nigeria witnessed high level of corruption, insecurity, high cost of governance, upsurge in the rate of unemployment, etc. In a similar view, Afolayam (2011), Gyang (2012) and Aloa and Aloa (2013) stressed that the high-level corruption was the biggest obstacle to the realization of the transformation agenda which invariably brought stagnation of economic growth and development.

(f) The Economic Recovery and Growth Plan (Ergp) 2017-2020

The continuous search for the optimal development strategy in Nigeria led to the introduction of ERGP by the present administration of President Mohammed Buhari (PMB). The government launched the ERGP in 2016 as a medium-term economic framework meant to stimulate the recessive

economy back to sustainable, accelerate development and restore economy in the medium term (Kyaram and Ogwuche, 2017).

The ERGP has three broad strategic objectives that will help achieve the vision of inclusive growth outlined above:

- **Restoring Growth:** the plan focused on macroeconomic stability and economic diversification to restore growth. Macroeconomic stability will be achieved by undertaking fiscal stimulus, ensuring monetary stability and improving the external balance of trade. Similarly, to achieve economic diversification, policy focus will be on the key sectors driving and enabling economic growth, with particular focus on agriculture, energy and MSME led growth in industry, manufacturing and key services by leveraging science and technology.
- **Investing in the People:** this is to be achieved through: Social inclusion by investing in social programs and providing social amenities to provide support for the vulnerable members of the society; Job creation and youth empowerment by establishing programs that will reduce unemployment and underemployment especially among youths; and improved human capital by investing in health and education to fill the skills gap in the economy. In health, the ERGP will improve the accessibility, affordability and quality of healthcare and will roll out the National Health Insurance Scheme across the entire country. It will also guarantee access to basic education for all, improve the quality of secondary and tertiary education, and encourage students to enroll in science and technology courses.
- **Building a Globally Competitive Economy:** tackle the obstacles

hindering the competitiveness of Nigerian businesses through: Investing in infrastructure especially in power, roads, and rail, ports and broadband networks; Improving the business environment and making it friendlier, making Regulatory requirements more transparent, and generally improving the ease of doing business; and Promoting Digital-led growth to make the Nigerian economy more competitive in the 21st century global economy by improving contribution from ICT and ICT-enabled activity to GDP. The overall goals of a digital-led strategy for growth center on the establishment of an ICT ecosystem in Nigeria.

Following the above objectives, the ERGP made the following projections:

- The inflation rate is projected to trend downwards from the current level of almost 19 percent to single digits by 2020.
- Real GDP is projected to grow by 4.6 percent on average over the Plan period, from an estimated contraction of 1.54 percent recorded in 2016. Real GDP growth is projected to improve significantly to 2.19 percent in 2017, reaching 7 percent at the end of the Plan period in 2020.
- Crude oil output is forecast to rise from about 1.8 mbpd in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Relentless focus on electricity and gas will also drive growth and expansion in all other sectors.
- Privatizing select public enterprises/assets, and refurbishing local refineries to reduce petroleum product imports by 60 per cent by 2018.
- Nigeria is expected to become not only a net exporter of refined petroleum products by 2020 but also a net exporter of key

agricultural products such as rice, cashew nuts, groundnuts, cassava and vegetable oil that take up a lot of foreign exchange.

- Unemployment will reduce from 13.9 per cent as of Q3 2016 to 11.23 per cent by 2020 which translates to the creation of over 15 million jobs during the plan horizon or an average of 3.7 million jobs per annum.
- The drivers of these projections include: doubling tax compliance for non-oil sector; eliminating leakages at Customs; and reviewing rules for remitting surplus funds to FGN from independent revenue sources (Preston, 2017).

Theroretical Framework

This paper utilizes development theory as its theoretical framework, which is fitting for examining Nigeria's Economic Recovery and Growth Plan (ERGP) under the Buhari administration and its claims of fostering sustainable development. Development theory comprises two main schools of thought: the Liberal and Marxist perspectives. The Liberal perspective views development through economic indicators, measuring it by the percentage growth in Gross National Product (GNP). Scholars like Meier (1989) and Todaro (1979) define development as the maximization of GDP growth through capital accumulation and industrialization, with Todaro emphasizing the capacity of an economy to sustain significant annual increases in GNP.

In contrast, the Marxist perspective criticizes the Liberal view for equating development solely with GDP growth, considering it inadequate

and misleading. Marxist scholars argue that development should focus on the welfare of citizens and be viewed from a multi-dimensional perspective. They assert that discussions on development should emphasize human well-being, skill enhancement, freedom, creativity, and material well-being, as well as the capacity of social groups to manage internal and external relations. This paper adopts the Marxist perspective to assess the potential for sustained development in Nigeria through the ERGP, emphasizing human welfare and multi-dimensional development over mere economic growth.

Methodology

This is desk research. The design of the study is qualitative. Data are obtained from secondary sources and analyzed through content analysis. It leverages extant literatures and the publication of the National Bureau of Statistics, the Budget Office of the Federal Republic of Nigeria (2020)

among others to discuss the framework and implementation of the Economic Recovery and Growth Plan (ERGP) and draw inferences.

Four key indicators of economic growth were examined to analyze the performance of the plan vis-a-vis its objectives and projections. This includes the GDP ratio (annual%), unemployment rate(% of labor force), Inflation, consumer price, and poverty rate using Multidimensional Poverty Index (MPI) from 2018 with 11 indicators covering the four equally weighted dimensions of education, health, living standards and unemployment.

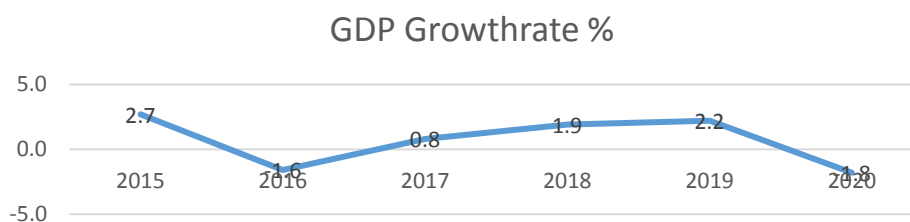
Results and Discussion

The objectives of the Economic Recovery and Growth Plan (ERGP) 2017 and its projections are analyzed using data on key economic parameters to assess the performance of the plan.

Table 1: GDP growth (annual %) – Nigeria

Year	2015	2016	2017	2018	2019	2020
GDP growth (annual %)	2.7	-1.6	0.8	1.9	2.2	-1.8

Source: The World Bank (2022)



Source: The World Bank (2022)

The Nigerian Economic Recovery and Growth Plan (ERGP) 2017-2020 aimed to revitalize the economy with an ambitious target of achieving an average real GDP growth of 4.6%, culminating

in a 7% growth rate by 2020. However, the actual GDP growth rates, sourced from The World Bank, reflect a different reality. In 2017, the economy grew by only 0.8%, significantly lower than the projected 2.19%. This trend of

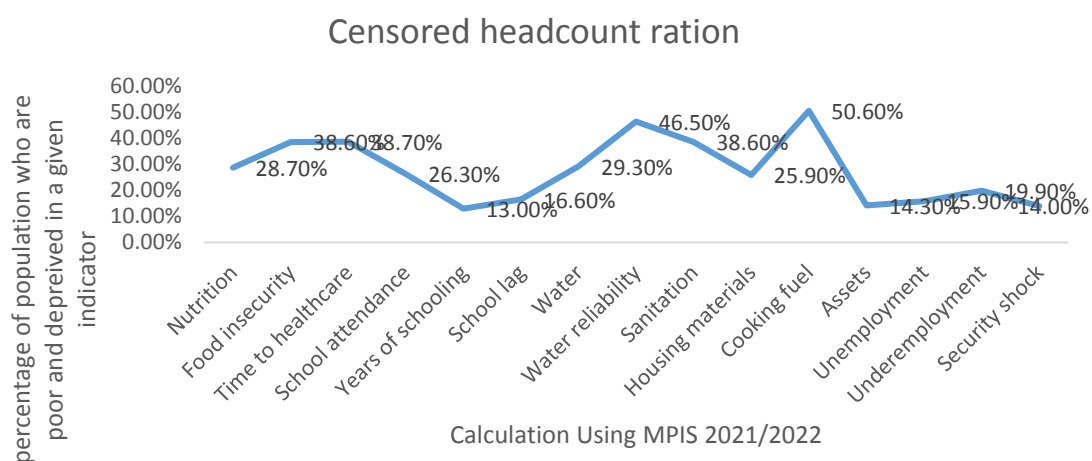
underperformance continued in 2018 and 2019, with actual growth rates of 1.9% and 2.2%, respectively, both falling short of the plan's average target. The situation worsened in 2020, with the GDP contracting by 1.8%, far below the anticipated 7% growth, influenced heavily by the global COVID-19 pandemic.

Overall, the ERGP's targets were overly optimistic, and the actual economic performance did not meet these projections. While there was some economic recovery post-2016's contraction, the growth was modest and inconsistent, highlighting structural challenges and external vulnerabilities. The severe downturn in 2020 underscores the impact of unforeseen global events, emphasizing the need for more resilient economic strategies.

- **Unemployment:** The implementation of the plan was projected to reduce unemployment by 2020. This translated to the
- **Poverty Rate**

creation of over 15 million jobs during the planning horizon or an average of 3.7 million jobs per annum (Solomon & Fidelis, 2018). As stated earlier, the focus of the job creation efforts will be youth employment and ensuring that youth are the priority beneficiaries. The Nigerian Bureau of Statistics also stated that the total number of people in full-time employment (at least 40 hours a week) declined from 52.7 million in the second quarter of 2017 to 51.1 million in the third quarter (Solomon & Fidelis, 2018). The number of people in the labor force who were unemployed or underemployed increased from 13.6 million and 17.7 million respectively in the second quarter of 2017, to 15.9 million and 18.0 in the third quarter of 2017 (Solomon & Fidelis, 2018).

Table 2: Multidimensional poverty in Nigeria



Source: Nigeria Multidimensional Poverty Index (2022)

While the ERGP aimed to enhance living standards, the persistent population growth and economic volatility indicate limited success in substantially reducing poverty levels.

Focusing on multidimensional poverty across different regions and among households upon the termination of the plan to assess its impact achieving its key objectives on health, education,

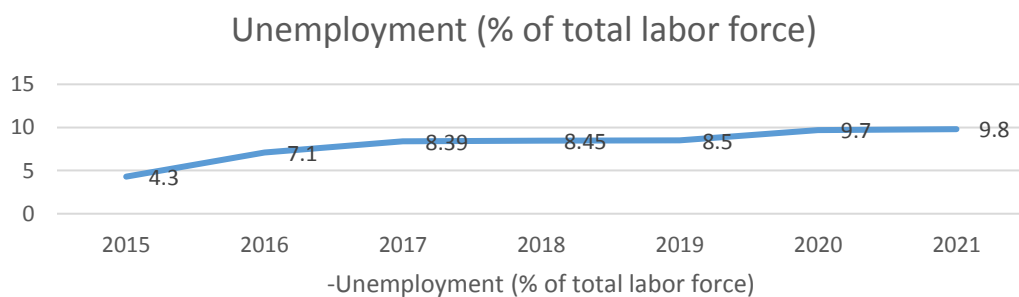
while also comparing multidimensional poverty with monetary poverty based on the 2018/19 Nigeria Living Standards Survey. Key findings from the Nigeria MPI (2022) indicate that 63% of the population, approximately 133 million people, are multidimensionally poor with an MPI value of 0.257, and the average deprivation score among the poor is 40.9%. High deprivations are seen in cooking fuel, sanitation, healthcare access, food security, and housing. Multidimensional poverty is more prevalent in rural areas (72%) compared to urban areas (42%), with rural areas housing 70% of the population but 80% of the poor, and experiencing higher poverty intensity (42%) than urban areas (37%). Urban areas face higher security shocks and unemployment, while both areas suffer from significant health-related

deprivations and food insecurity. The findings indicates the inability of the plan to address multidimensional poverty, focusing on rural development, education, healthcare, and infrastructure improvements which constitute the plan priority of investment in the Nigerian people; health, education and social inclusion. According to Olasode et al. (2022), it is evident that even though the plan was properly implemented and, the Nigerian economy has experienced economic growth over the last two decades, poverty rates in the country remain high due to the high level of inequality, corruption, joblessness, and lack of diversification. These are some of the issues that have hindered the translation of economic growth into significant poverty reduction (Olasode et al., 2022).

Table 3: Unemployment (% of the total labor force) (modeled ILO estimate) - Nigeria

Years	2015	2016	2017	2018	2019	2020	2021
Unemployment (% of total labor force)	4.3	7.1	8.39	8.45	8.5	9.7	9.8

Source: The World Bank, (2022)



Source: The World Bank, (2022)

The table depicts the unemployment rates in Nigeria from 2015 to 2021, offering insights into the performance of the Nigerian Economic Recovery and Growth Plan (2017-2020). In 2015, the unemployment rate stood at 4.3%, indicating favorable labor market conditions. However, this changed drastically in 2016, with unemployment

soaring to 7.1%, signaling a worsening economic situation. Subsequent years saw a continued increase in unemployment, with rates reaching 8.39% in 2017, 8.45% in 2018, and 8.5% in 2019. The trend persisted in 2020, where unemployment spiked to 9.7%, suggesting ongoing economic challenges. By 2021, the unemployment

rate reached 9.8%, highlighting persistent labor market struggles.

Overall, the data suggests that the Nigerian Economic Recovery and Growth Plan may not have effectively addressed unemployment issues, as evidenced by the continuous rise in unemployment rates throughout the plan's duration. When unemployment is high but GDP is also high, it suggests a disconnect between economic growth and its distribution or inclusivity. While a high GDP indicates overall economic expansion, the persistence of high unemployment rates implies that the benefits of this growth are not reaching

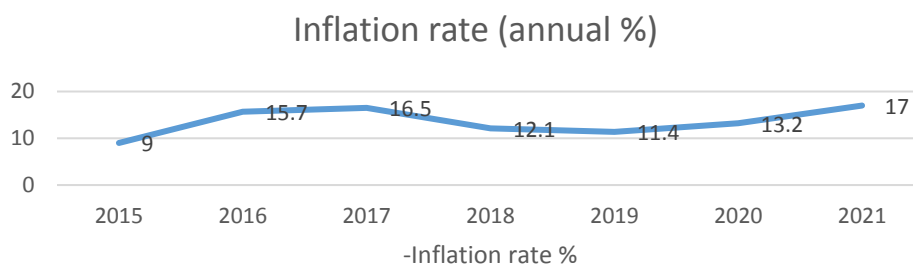
all segments of the population. It is evident that population growth has a strong impact on unemployment in Nigeria (Afolabi & Bobola, 2020) where despite economic growth, job creation is not keeping pace with population growth or the influx of job seekers.

- **Inflation:** the plan aimed to achieve macroeconomic stability by undertaking fiscal stimulus, ensuring monetary stability and improving the external balance of trade. The inflation rate is projected to trend downwards from the current level of almost 19 percent to single digits by 2020 (Ministry of Budget and National Planning, 2017).

Table 4: Inflation, consumer price (Annual %) - Nigeria

Years	2015	2016	2017	2018	2019	2020	2021
GDP growth (annual %)	9	15.7	16.5	12.1	11.4	13.2	17

Source: world Bank, 2022



Source: world Bank, 2022

The data on inflation rate in Nigeria, spanning from 2015 to 2021, reveals a fluctuating trend with significant implications for the effectiveness of economic policies, particularly the Economic Recovery and Growth Plan (ERGP). Beginning with a relatively low inflation rate of 9% in 2015, the subsequent years witnessed sharp increases, reaching peaks of 15.7% in 2016 and 16.5% in 2017. These spikes indicate challenges in maintaining price stability, potentially stemming from currency depreciation, supply chain disruptions, or fiscal

imbalances. Despite some moderation in 2019 with a decline to 11.4%, inflation persisted, rising to 17% in 2021, indicating intensified pressures. This underscores the imperative of implementing robust policy measures to stabilize prices and ensure macroeconomic stability, crucial for achieving sustainable economic growth outlined in the ERGP.

According to Inim et al. (2020) in Nigeria, poor infrastructural development, exchange rate, political instability, corruption, and double taxation significantly stimulate inflation rather than just money supply.

Therefore, these non-monetary factors should be controlled to achieve low inflation at most and economic growth and development (Inim et al., 2020).

Summary of Findings

GDP Growth and Economic Performance

The Economic Recovery and Growth Plan (ERGP) 2017-2020 aimed for an average real GDP growth of 4.6% per year, reaching 7% by 2020. However, actual GDP growth rates were significantly lower: 0.8% in 2017, 1.9% in 2018, and 2.2% in 2019. The economy contracted by 1.8% in 2020, mainly due to the global COVID-19 pandemic. This underperformance highlights structural and external vulnerabilities in Nigeria's economy.

- **Unemployment:** The ERGP projected the creation of over 15 million jobs by 2020, focusing on youth employment. Instead, full-time employment declined, and both unemployment and underemployment rates rose. Unemployment increased from 4.3% in 2015 to 9.8% in 2021, indicating that job creation did not keep pace with population growth, highlighting a contradiction between economic growth and employment.
- **Inflation:** The ERGP aimed to reduce inflation to single digits by 2020. However, inflation fluctuated, starting at 9% in 2015, spiking to 15.7% in 2016, and reaching 17% in 2021. These fluctuations were due to factors like currency depreciation and supply chain disruptions, indicating challenges in maintaining price stability.
- **Multidimensional Poverty:** The ERGP aimed to enhance living standards but had limited success in

reducing poverty. The Nigeria Multidimensional Poverty Index (2022) shows that 63% of the population (approximately 133 million people) are multidimensionally poor. High deprivations are seen in areas like cooking fuel, sanitation, healthcare, food security, and housing. Multidimensional poverty is more prevalent in rural areas (72%) compared to urban areas (42%), with rural areas experiencing higher poverty intensity. The ERGP's inability to effectively address these issues suggests the need for more targeted interventions in rural development, education, healthcare, and infrastructure improvements.

Conclusion

The performance of the ERGP 2017-2020 fell short of its ambitious targets. While there was some economic recovery, the overall growth was modest and inconsistent. Rising unemployment rates and fluctuating inflation indicate underlying economic challenges. The high levels of multidimensional poverty, particularly in rural areas, underscore the need for more focused and effective poverty reduction strategies. The ERGP's shortcomings highlight the importance of developing resilient economic policies that can withstand external shocks and effectively address structural issues within the Nigerian economy. This analysis suggests a need for more inclusive and sustainable economic strategies to foster long-term growth and improve living standards for all Nigerians.

Recommendations

GDP Growth and Economic Performance: To counteract structural challenges and external vulnerabilities, Nigeria should adopt more resilient economic strategies. This includes diversifying the economy to reduce dependency on oil and investing in sectors like agriculture, technology, and manufacturing. Enhancing economic planning by setting more realistic and achievable economic targets is crucial. Strengthening economic forecasting and scenario planning will better equip the country to anticipate and mitigate potential risks, ensuring more consistent and sustainable growth.

- **Unemployment:** To address rising unemployment, Nigeria must focus on creating targeted job creation programs, particularly for the youth. Promoting entrepreneurship, vocational training, and skill development aligned with market needs can significantly reduce unemployment rates. Supporting small and medium-sized enterprises (SMEs) and improving labor market conditions can also play a pivotal role in reducing unemployment and underemployment.
- **Inflation:** Addressing inflationary factors, promoting fiscal discipline, and implementing prudent monetary policies are essential for mitigating adverse economic impacts and fostering long-term economic prosperity. By focusing on these areas, Nigeria can achieve macroeconomic stability and create a more conducive environment for sustainable economic growth.
- **Multidimensional Poverty:** To combat multidimensional poverty, targeted interventions in rural areas are essential. This involves

prioritizing investments in infrastructure, healthcare, education, and housing to address high deprivations in cooking fuel, sanitation, healthcare access, and food security. Strengthening social safety nets and support systems will protect vulnerable populations, especially in rural regions. Comprehensive poverty alleviation programs should address both monetary and multidimensional aspects of poverty, focusing on long-term sustainability and inclusivity. Establishing robust monitoring and evaluation frameworks will ensure the effectiveness of these initiatives, allowing for continuous improvement and better outcomes for the poor.

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